

Approved For Release 2002/02/27 : CIA-RDP83-01004R000100040002-8

OgC 71-1663
DDIS 71-1641
ER 71-30471
ILLEGIB

2 NOV 1971

MEMORANDUM FOR: Acting Executive Director—Controller

SUBJECT: Exemption From Proposed Classification Act


1. This memorandum forwards a proposed letter to the Chairman, Civil Service Commission for the Director's signature.

2. In accordance with Public Law 91-216 enacted in March 1970, a Civil Service Commission Job Evaluation and Pay Review Task Force will soon complete its preliminary work and will begin preparing legislation for a new job classification system. Studies undertaken by the Office of Personnel have indicated the desirability of the Central Intelligence Agency being exempt from the provisions of the new system, just as it is currently exempt from the provisions of the Classification Act of 1949.

3. Messrs. Lawrence Houston and Harry Fisher called on the Executive Director of the Civil Service Commission, Mr. Bernard Rosen, on 19 October 1971 to explain this Agency's position and to seek guidance as to the best way in which the Agency could make known officially the views of Agency management regarding exemption. Mr. Rosen advised that he thought the first step should be a letter to the Chairman, Civil Service Commission from the Director.

4. It is recommended that the attached letter to Mr. Houston be signed by the Director.

STATINTL


Acting Director of Personnel

Att

Concur:

1st. *Lawrence M. Houston*
Lawrence M. Houston
General Counsel

4 NOV 1971

Date

STATINTL

1st. *John E. Casey*
John E. Casey
Deputy Director
for Support

10 NOV 1971

Date

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CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

OFFICE OF THE DIRECTOR

15 NOV 1971

The Honorable Robert E. Hampton
Chairman, Civil Service Commission
1900 E Street, N. W.
Washington, D. C. 20415

Dear Bob:

During the past months we have collaborated with Mr. Philip M. Oliver's Job Evaluation and Pay Review Task Force by reviewing all issuances and testing all job evaluation systems they have prepared. As an integral part of the Executive Branch of our Government, we are glad to cooperate as much as possible in such work.

So far as we are aware, no final conclusions have been reached on the validity and applicability of the complete evaluation system, and any legislation is still in the prospective stage. I believe it may be appropriate at this time, therefore, to convey to you some thoughts we have concerning the Task Force recommendations as they relate to the problems of administering this Agency.

Historically, the Central Intelligence Agency has been exempted from the Classification Act of 1949 and earlier legislation since August 1949. Prior to that time, as the Central Intelligence Group and after 1947 as a statutory agency, we had worked with the Civil Service Commission in applying normal Federal rules for the evaluation and classification of positions. Because of the difficulty of applying Federal classification practices to intelligence activities with their inherent security implications and in view of the authority provided by the Central Intelligence Agency Act of 1949, it was mutually agreed between our Agency and the Commission that we should be exempt from the Civil Service classification system. The agreement was included in a letter from the Commission of 8 August 1949. At that time we agreed to follow classification principles, policies, pay scales, and standards generally applicable to the Federal Civil Service, insofar as practicable.

Since that time position classification in this Agency has been administered under the authority of the Central Intelligence Agency Act of 1949 as amended, although, as agreed, we have followed the general Federal

classification principles and policies insofar as security and operational requirements would permit. Our experience over these years confirms our belief that mandatory inclusion in the Coordinated Job Evaluation Plan would lead to serious security difficulties and would not be in the national interest.

It is not practicable in many cases to make full disclosure of information on certain positions, required by Civil Service Commission representatives for them to insure proper classification of positions. This problem would arise in the case of post audit review as well as the review of benchmark descriptions. Perhaps more important are the requirements for a high degree of flexibility in moving personnel and positions and in providing rapid response to changing conditions which are an integral part of the intelligence function. To meet these requirements we have developed a rank-in-man career system in which positions are established on the basis of functions to be performed and individuals are assigned as needed, sometimes above and sometimes below the grades of positions occupied. The position grade structure of each of our functional career services is the controlling framework within which all personnel actions, such as appointments and promotions, are made, and at no time does the Agency average employee grade exceed the Agency average position grade.

Under this system extensive employee rotation, necessary both at headquarters and in the field, can be done rapidly to meet changes required by international crises throughout the world, by new scientific developments, by changes in foreign policy, by changes in governments, and by internal organizational changes. Competent people may be assigned without the necessity for immediate establishment or change of positions and it is not necessary to move employees from essential assignments in order to provide them with promotion opportunities. We anticipate that conditions in the future will continue to require the present career system.

As we understand the Task Force proposals, such flexibility could not be provided under the Coordinated System. We believe we can perform our function more effectively under the freedom of our own authorities while cooperating in maintaining a uniform system throughout the Government by voluntarily following the policies, standards, and practices established by future legislation insofar as security and operational requirements will permit.

Cordially,

SIGNED

Richard Helms
Director